



RAILROAD COMMISSION OF TEXAS

SURFACE MINING AND RECLAMATION DIVISION

June 2, 2009

Mr. Josh Leftwich
Environmental Manager
Uranium Energy Corporation (UEC)
400 Mann Street, Suite 900
Corpus Christi, Texas 78401

RE: Weesatche Project, Goliad County
Uranium Exploration Permit No. 123B
Inspection Report

Dear Mr. Leftwich:

Enclosed is a copy of the report for the inspection completed on May 28, 2009, at UEC's Weesatche Project, Goliad County.

If you have any questions, please contact me at (512) 305-8813.

Sincerely,

A handwritten signature in blue ink that reads "Mark Schlingen".

Mark Schlingen, Manager
Inspection and Enforcement

MS/sdj
Enclosure



RAILROAD COMMISSION OF TEXAS SURFACE MINING AND RECLAMATION DIVISION URANIUM EXPLORATION INSPECTION REPORT

Project Name: Weesatche Permit Number: 123B
 Permittee: UEC County: Goliad
 Industry Representative(s) Present: James Gale
 Inspector: Steve Meadows Date of Inspection: May 28, 2009

I. Field Conditions and Data Collection

Samples Collected: No ☒ Yes ☐ Sample Type: Water ☐ Soil ☐ Vegetation ☐
 Average Temperature 85 Soil Condition Wet Date Last Rainfall May 27, 2009 Wind Direction/
 Velocity (Est.) Calm
 Photographs Attached: No ☐ Yes ☒ (Complete Section IV)

II. Enforcement Action Taken

Notice of Violation Issued: No ☒ Yes ☐ NOV No. _____
 Cessation Order Issued: No ☒ Yes ☐ CO No. _____



Steve Meadows

06/02/2009

Inspector Signature

Date

Mark Schlangen 6-2-2009

Reviewing Supervisor Signature

Date

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III. Comments – Inspection Narrative

- *Document the area of the permit inspected*
- *Discuss observations made during the inspection*
- *Document the results of any field tests taken*
- *Provide a summary of any discussions with industry representatives, along with results, and expectations from those discussions*
- *Describe any enforcement action taken during the inspection, along with facts or evidence supporting the enforcement action*

There is no exploration activity underway at UEC Permit No. 123B at this time. This inspection focused on site restoration and re-vegetation of the previously inspected exploration borehole drilling locations on the Karnei property #32199 lease, the Colbert P-2-07 area and a smaller leased exploration area #33101. A heavy rain of near 2 $\frac{3}{4}$ inches the day preceding this inspection restricted the inspection effort to paved access roads only as documented in Photos 1-3. A drilling location, still marked on the Colbert lease, is seen in Photo 4. UEC removed the white PVC markers from most exploration boreholes as they were individually inspected for compliance to the regulations and permit requirements. Little surface evidence of drilling activity remains visible at this location or at the #33101 lease seen in Photo 5. The field on the Karnei #32199 leased area seen in Photo 6 contained 26 exploration boreholes when first inspected on 4-15-08. With the markers having been removed after that inspection, there is little evidence of surface disturbance or drilling activity. Another section of the Karnei #32199 lease is visible from Farm Road 1961, as seen in Photo 7, taken at the north entrance to the property. Surface evidence of exploration activity, such as that seen in Photo 8 of a drilling location in the same area photographed on 4-15-08, is essentially unnoticeable. Future inspections will continue to monitor exploration activity, site restoration and re-vegetation at the Permit No. 123B location.

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VI. Photographs



Photo 1: Entrance gate to Braquet property.



Photo 2: Rain gauge at Braquet gate.

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VI. Photographs



Photo 3: Standing water near Colbert property.



Photo 4: Exploration location on Colbert property.

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VI. Photographs



Photo 5: Re-vegetation of drilling locations on 33101 lease.



Photo 6: A total of 26 exploration boreholes were inspected in this Karnei lease field on 4-15-08.

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VI. Photographs



Photo 7: Karnei property from north gate with little evidence of exploration activity.



Photo 8: Exploration location on 4-15-08 with north gate of Karnei property visible on horizon.